



LACERS

**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

Tier 1 Planning for Retirement Webinar

Attention

1. This presentation is intended to provide a summary of the benefits established by the Los Angeles City Charter, Los Angeles Administrative Code, and LACERS Board Rules (referred to as the Plan provisions). In the event of discrepancies in this presentation the Plan provisions will govern at all times.
2. Representatives of LACERS cannot offer financial, legal, or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.
3. This presentation is for **Tier 1 Members**. Tier 1 Members are LACERS Members hired prior to February 21, 2016.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodations to ensure equal access to its programs, services and activities.

Topics to be Discussed

- LACERS Overview
- Service Explained
- Retirement Eligibility and Allowance Calculation
- Your Retirement Option Selections
- Taxes, SS, and COLAs
- When You're Ready to Retire
- The Retirement Process
- Leaving City Service Prior to Retirement
- Survivor Benefits
- Health & Dental Benefits
- Health & Dental Enrollment
- Medicare
- Legal Planning

LACERS Board of Administration

7 MEMBERS

LACERS is a Commission-Controlled Department

- (4) Members Appointed by the Mayor
 - (1) must be a Retired City Employee*
- (2) Members elected by Active City Employees*
- (1) Member is elected by Retired City Employees*

* *Must be a LACERS Member*

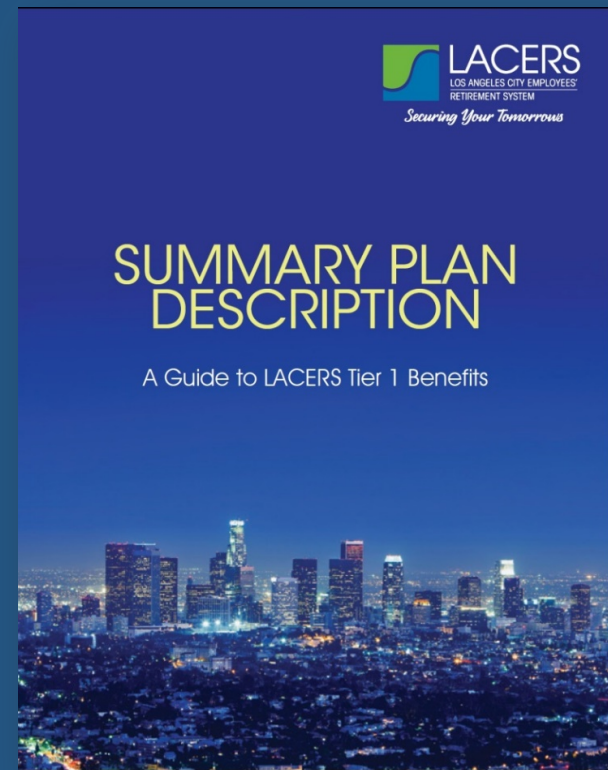
Summary Plan Description Tier 1

Your user's manual for your LACERS Retirement Plan

Topics covered:

- ✓ Retirement Eligibility
- ✓ Retirement Allowance Calculation
- ✓ Survivor benefits and more

Available 24/7 at [LACERS.org](https://www.lacERS.org)



LACERS: Defined Benefit Plan (401a)

Defined Benefit Plans, like LACERS, are professionally managed trust funds that provide specific benefits at retirement based on a formula

- ✓ **Offers lifetime benefits** to its Members who are vested (5 or more years of continuous service)
- ✓ The LACERS plan also may include cost of living adjustments

LACERS Membership



LACERS Members are non-sworn, non-DWP City of Los Angeles employees.

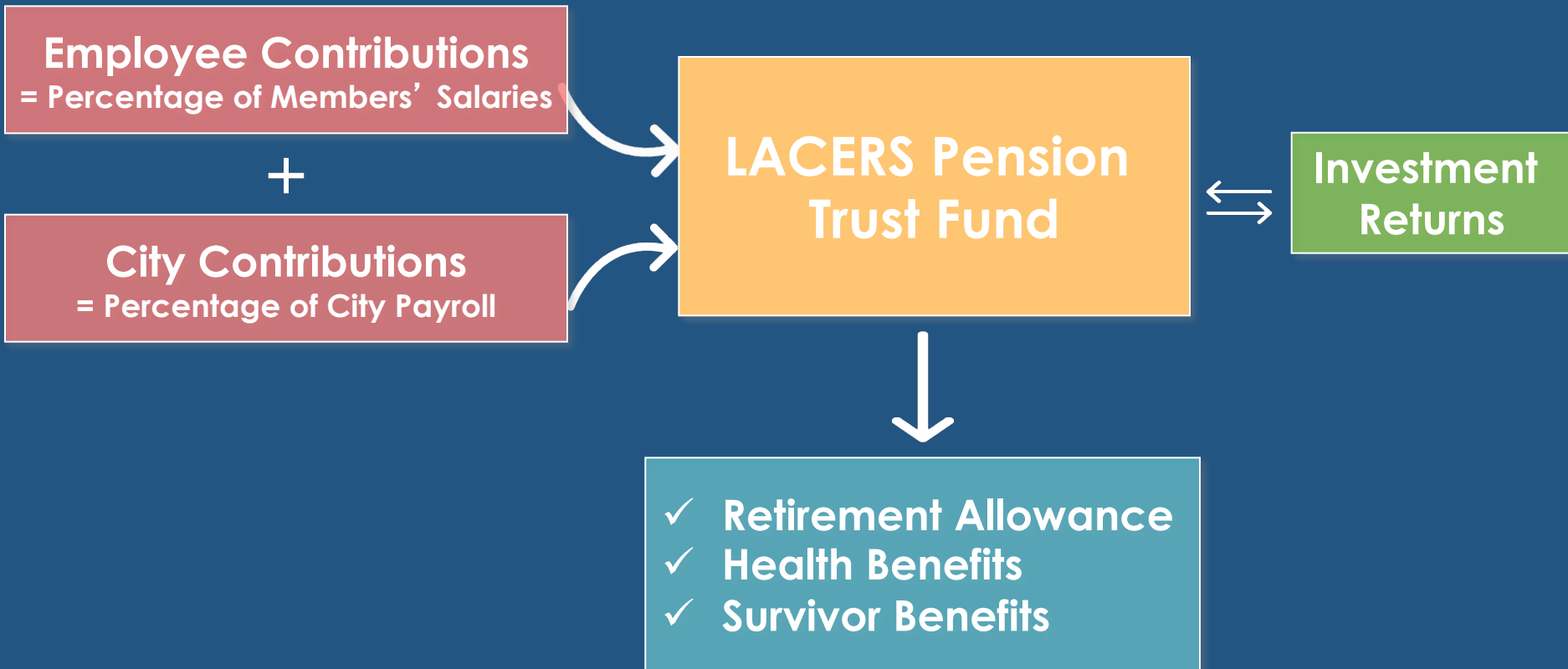
Membership is automatic once hired and/or your employing department certifies you to the plan.

All Members contribute **11%** of their gross salary towards their retirement with LACERS bi-weekly.

Tier 1 Members were hired on or before **February 20, 2016**.

Vesting occurs at **5 years of Continuous Service** with the City, which qualifies you to collect a retirement benefit.

LACERS Pension Trust Fund





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**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

**Service, Service Credit &
Continuous Service**

Service vs. Service Credit



SERVICE

Accounts for the **years** you've been a City employee contributing to LACERS



SERVICE CREDIT

Accounts for the **hours** you've worked as an Active LACERS Member

- Full-time employees receive 0.03835 years of Service Credit per pay period
- Part-time employees will be prorated based on the actual hours worked divided by 80 hours

Service vs. Service Credit

Example:

Liz works full-time (40-hour week) for 6 years.

Dan works half-time (20-hour week) for 6 years.

What is Liz's total Service? 6 years

What is Liz's total Service Credit? 6 years

What is Dan's total Service? 6 years

What is Dan's total Service Credit? 3 years

Service and Service Credit

Service – helps determine your **Benefit Eligibility**

- When you can retire
- If you can receive a health subsidy

Service Credit – helps determine the **amount** of your Benefit

- How much money in your monthly retirement allowance
- How much health subsidy you receive

Continuous Service

- This is the sum of your uninterrupted City Service (with no break in service of more than 3 years).
- The service may be a combination of City employment service and governmental service purchased.

Continuous Service Example



4 Years Service

Break of 2 Years

5 Years Service

**9 Years Continuous
Service**



5 Years Service

Break of 4 Years

2 Years Service

~~7 Years~~ **5 Years of
Continuous Service**


* Continuous Service is used to determine *retirement eligibility* ONLY.

MyLACERS Member Statement



- Employee Contributions
- Service Credit
- Beneficiaries

MyLACERS.lacers.org



202 W. First Street, Suite 500
 Los Angeles, CA 90012-4401
 Mail Stop 175
 (800) 779-6328
 TDD (888) 348-3896
 Fax: (213) 687-4147
www.lacers.org

Member Statement for John Lacer Well
 Statement Period: 05/15/2017 - 05/14/2018
 Statement Run Date: 05/14/2018

MEMBER DEMOGRAPHIC INFORMATION

SSN: ¹	XXX-XX-1234	Marital Status: ¹	Married
DOB: ¹	01/01/1970	Spouse Name:	
Address: ¹	123 Main Street	Spouse DOB:	
	Los Angeles, CA 90012	Marriage Date:	
Phone: ¹	(213) 111-1111	Domestic Relations Order:	Not on file
Email:			

¹ Corrections for Active Members must be made through your employing department.

MEMBERSHIP INFORMATION

Current Member Status:	Active	Reciprocity:	No
Plan/Tier:	Tier 1	DWP Service:	No
Membership Begin Date:	1/1/2014	Larger Annuity Participant:	No
		FDBP Participant:	No
		Service Purchase:	No

EMPLOYMENT INFORMATION

Employee ID:	390983	Hire Date:	1/1/2014
Department:	LACERS	Termination Date:	
Biweekly Salary Last Reported:	\$1,869.60	Date Last Reported:	04/28/2018

RETIREMENT CONTRIBUTION INFORMATION

Total Beginning Balance as of 05/15/2017	Pre-Tax Contributions During Statement Period	Post-Tax Contributions During Statement Period	Interest Earned During Statement Period	Total Ending Balance as of 05/14/2018
\$0.00	\$3,084.90	\$0.00	\$15.74	\$3,100.64



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**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

Service Credit Purchases & Reciprocity

Increasing Your Service Credit

Service Credit Purchases:

- **May count toward your retirement eligibility**
- **May increase your Retirement Allowance**

Service Credit Purchases Re-Deposits

What is it?

- Allows current active Members who previously terminated City employment and withdrew their LACERS contributions to make a re-deposit and purchase Service Credit for prior membership.

Who's eligible?

An Active Member of LACERS, who:

- Withdrew their funds from LACERS after having separated from City Service; or
- Due to a divorce, their ex-spouse received a separate account with LACERS and subsequently withdrew the money from that account.

How to apply?

- Complete Section (A) of the ***Application to Purchase Previous***
18 City Service

Service Credit Purchases Back Contributions

What is it?

- ❑ Allows current active Members who were regularly employed by the City on a full/part-time, seasonal, or temporary basis and were not a LACERS Member to make the purchase of a Back Contribution.

Who's eligible?

An Active Member of LACERS, who:

- ❑ Was regularly employed by the City either full/part-time; and during that time, was not a LACERS Member or making contributions to LACERS; or
- ❑ Was regularly employed by the City and participating in the Pension Savings Plan; during that time, you were not a LACERS Member or making contributions to LACERS; and has a minimum of five years verified City Service and Contributions on deposit with LACERS.

How to apply?

- ❑ Complete Section (B) of the ***Application to Purchase Previous City Service***

Service Credit Purchases

Public Service Buybacks

What is it?

- ❑ Allows current active Members to purchase Service Credit for uncompensated leaves of absence from City Service (other than maternity leaves).
- ❑ Allows current Active members to purchase Service Credit lost due to divorce when an ex-spouse is awarded a Separate Account Allowance.

Who's eligible?

An Active Member of LACERS, who:

- ❑ Has a total of at least six months of leave time while employed by the City; or
- ❑ Has any Service Credit awarded to an ex-spouse through a Separate Account Allowance.

How to apply?

- ❑ Complete the **Application to Purchase Public Service** and **Acknowledgement of Public Service Buyback**

Service Credit Purchases Government Service Buyback Program

What is it?

Allows current active Members to purchase Service Credit for periods of:

- Full-time service with other Governmental Entities; or
- Uncompensated maternity leave with the City of Los Angeles

Who's eligible?

An Active Member of LACERS, who:

- Has at least six months of uninterrupted, full-time service with a single governmental entity; or
- Was on an uncompensated leave of absence from City Service for maternity reasons. Purchase can be a minimum of one whole month and a maximum of twelve months.

How to apply?

- Complete a **Certification of Service Form** or,
- Certificate of Uncompensated Maternity Leave Form**

Applying for Service Credit Purchases

- ✓ **Explore Service Credit Purchases early** to allow for the processing time
- ✓ Contracts must be completed prior to your retirement effective date
- ✓ Only Active City employees can purchase Service Credit
- ✓ For additional information, please speak to a Buyback Representative at LACERS

Reciprocity

What is Reciprocity

An agreement among certain **California** public retirement systems allowing Members to move from one public employer to another within a specific time frame allowing some portability of retirement benefits.

Benefits

Receive a retirement benefit from each system based on the Service Credit acquired with the agency and the benefit formula by that retirement system. Both retirement systems will calculate your benefits based on the highest salary you received, regardless of which agency it was paid by.

Reciprocity

Types of Reciprocity

- **Full reciprocity** - Reciprocal Service is considered for vesting and your years of Service are combined from all reciprocal agencies for eligibility purposes. *Transfers on or after July 14, 1997.*
- **Limited reciprocity** - Must vest on your own with each reciprocal agency to qualify for a benefit. *Transfer prior to July 14, 1997.*

Rules

- Terminate from one reciprocal government entity and move to another within a six month period.
- Leave your contributions and interest on deposit with each retirement system.
- Apply for reciprocity and both retirement systems agree reciprocity exists.
- Retire from both systems on the same date.

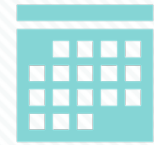


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**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

Retirement Eligibility & Allowance Calculation

Normal Service Retirement

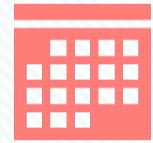


Eligibility Requirements for Full Allowance

- ✓ Age 55 or older with at least 30 years of City Service *
- ✓ Age 60 or older with at least 10 years of Continuous Service *
- ✓ Age 70 or older

*At least five years of Continuous Service must come from City employment and/or service recognized under full reciprocity.

Early Service Retirement



Eligibility Requirements for **Reduced** Allowance

- ✓ Age 55 or older with at least 10 years of Continuous Service *
- ✓ Younger than age 55 with at least 30 years of City Service **

*At least five years of Continuous Service must come from City employment and/or service recognized under full reciprocity.

**No health subsidy until age 55

Calculating Your Allowance



To calculate your Retirement Allowance, you will need:

- Your Final Compensation
- Your Total Service Credit
- LACERS Tier 1 Retirement Factor of 2.16%
- * Early Retirement Reduction Factor for your age (if applicable)

Final Compensation

The monthly average of the highest 12 months of compensation earned by your classification

Includes

- Base salary
- Most regularly-assigned bonuses and premium pay

Does not Include

- Overtime
- Daily or non-regularly-assigned bonuses
- Reimbursements
- Car or uniform allowances
- Payments in lieu of benefits
- Acting Pay

Retirement Allowance Formula



Final Compensation

X

Service Credit

X

Retirement Factor

X

Early Retirement Factor (if applicable)

Retirement Allowance

Early Retirement Reduction Factors

AGE	FACTOR	AGE	FACTOR	AGE	FACTOR
51	.8050	55	.9250	59	.98500
51¼	.8125	55¼	.92875	59¼	.98875
51½	.8200	55½	.93250	59½	.99250
51¾	.8275	55¾	.93625	59¾	.99625
52	.8350	56	.9400	60	1.00

**Factors are subject to change by ordinance of the City Council, full list can be found in the Tier 1 Summary Plan Description on lacers.org.*

Retirement Allowance Formula

Normal Service Retirement (Age 65)	Early Service Retirement (Age 55)
\$4,000	\$4,000
X	X
20.25	20.25
X	X
2.16%	2.16%
	X
	.9250
= \$1,749.60	= \$1,618.38

Retirement Benefits

Final Compensation Percentage

For each full year of Service Credit, you earn 2.16% of your salary.

Service Credit		30 years
Retirement Factor (2.16%)	x	.0216

Percent of Final Compensation = 64.8%

Increasing Your Monthly Allowance

The three variables that impact your monthly Retirement Allowance are:

- ✓ Timing of your retirement (Normal vs. Early)
- ✓ Service Credit
- ✓ Final Compensation

Benefit Estimate on MyLACERS

1. Click on: Estimate a Benefit
2. Enter your: Separation and Retirement date
3. Click on: Generate

MyLACERS Hi, [Redacted] | Profile | Submit Inquiry | Sign Out

BENEFIT ESTIMATE

Member Information

- Account Summary
- Service Detail
- Personal Information
- Nominated Beneficiaries
- Estimate a Benefit
- Estimate History
- Service Purchases

Seminars

Counseling

Forms

Communications

- Correspondence
- Statements

My LACERS

You are eligible to receive retirement benefits as of the dates listed below. Make sure the Retirement Date you use for your estimate is a date when you will be eligible for retirement.

Early Retirement: 11/9/2031
Service Retirement: 12/12/2035

Benefit Options

→ **Separation Date:** 11/8/2031 [Calendar Icon] [Help Icon]

→ **Retirement Date:** 11/9/2031 [Calendar Icon] [Help Icon]

Age: 50.91

Add Additional Service Purchase: none [Help Icon]

Override FAMC: use projected [Help Icon]

[How is FAMC calculated?](#)

Beneficiary

Name: [Text Field]

Relationship: [Dropdown Menu]

Date of Birth: [Text Field] [Calendar Icon]

→ **Include Spouse/DP:** [Help Icon]

→ **Generate**

Disability Retirement

Eligibility	5 or more years of Continuous Service
Retirement Allowance	Generally 1/3 of your Final Compensation
Disabling Condition	Doesn't have to be job related but it must prevent you from performing your regular job duties.
Filing Period	Within one year of your last day on Active payroll. If you do not apply in time, you lose your eligibility for this benefit.

**If you have more than 15.4 years of Service Credit and are eligible for Normal Service Retirement Allowance, it may be larger than a Disability Retirement Allowance.*

Retirement Benefits

Retirement Contributions

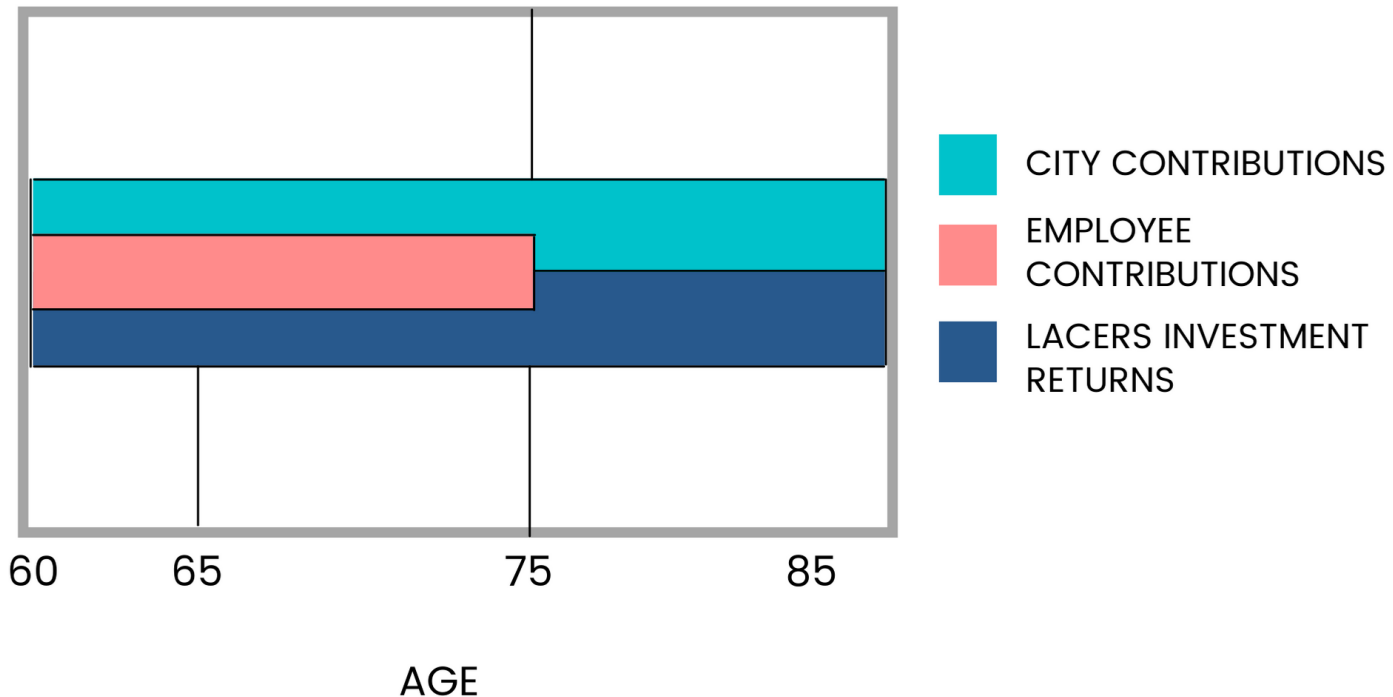
Angelina

SALARY: \$75,000

SERVICE CREDIT: 26 YEARS

RETIRED AT: AGE 60

CONTRIBUTIONS: \$100,000





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**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

Your Retirement Option Selections

Two Allowance Options for Unused Contributions

Your selection becomes irrevocable once your retirement date passes.

Cash Refund Annuity

After your death and the death of your spouse/domestic partner (receiving a continuance), your designated beneficiaries will receive what's left of YOUR unused contributions.

Life Annuity

After your death and the death of your spouse/domestic partner (receiving a continuance), what's left of YOUR unused contributions will NOT go to a beneficiary. The increase you received when selecting this option does not provide you the right to leave any unused contributions to a beneficiary.

Continuance Benefit

- **A Continuance is a lifetime monthly benefit** provided to a qualified beneficiary as the result of the death of a Retired Member.
- A portion of your retirement contributions (Survivor Contributions) is set aside to provide a 50% lifetime monthly Continuance benefit to your eligible Spouse/Domestic Partner.
- You may provide a larger Continuance, **but a lifetime actuarial reduction will be applied.**

Eligible Spouse or Domestic Partner*

1

You are legally married or in a LACERS/State registered domestic partnership at least one year before retiring; **AND**

2

You are legally married or in a LACERS/State registered domestic partnership when you retire; **AND**

3

You are legally married or in a LACERS/State registered domestic partnership on the date of your death

**Domestic Partnership must be filed with LACERS or State Registered*

Single Member Options

If you are single when you retire, you will have the following options:

- ✓ Take a lump sum cash payment, **or**
- ✓ Apply these contributions to increase your Retirement Allowance

Single Members may leave a Continuance to other persons, but:

- ✓ A **lifetime** actuarial reduction will be applied

Continuance Elections



Continuance elections are **irrevocable** once you retire.

If the individual, you designate for a Continuance, dies before you:

1. You **cannot** name a new person to receive a Continuance;
2. No Continuance payment will be made upon your death; and
3. Your retirement allowance will not be increased.

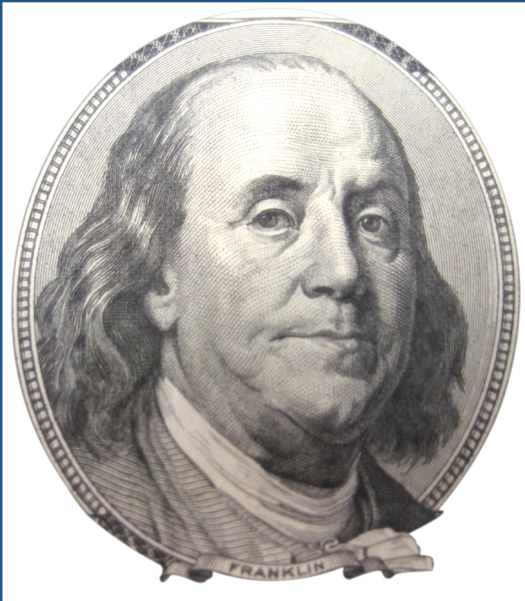


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RETIREMENT SYSTEM**

Taxes, Social Security, and COLAs

Retirement Allowance is Taxable



“But in this world nothing can be said to be certain, except death and taxes.”
- *Benjamin Franklin*

**Your Retirement Allowance
is taxable as income.**

Retirement Allowance Cost-of-Living Adjustment (COLA)

- Based on the **Consumer Price Index (CPI)** for the Los Angeles area
- May increase your Retirement Allowance a maximum of **3%** per year
- Excess CPI (over 3%) **banked** for future years

Historical COLA's and Banking

COLA Effective Date	CPI	Approved COLA	Max COLA	Difference	Impact on Your Banked Benefits (COLA Bank %)
07/01/20	3.1%	3.1%	3.0%	+0.1%	.01% banked
07/01/19	3.8%	3.8%	3.0%	+0.8%	0.8% banked
07/01/18	2.8%	2.8%	3.0%	-0.2%	Up to 0.2% used
07/01/17	1.9%	1.9%	3.0%	-1.1%	Up to 1.1% used
07/01/16	0.9%	0.9%	3.0%	-2.1%	Up to 2.1% used
07/01/15	1.3%	1.3%	3.0%	-1.7%	Up to 1.7% used
07/01/14	1.1%	1.1%	3.0%	-1.9%	Up to 1.9% used
07/01/13	2.0%	2.0%	3.0%	-1.0%	Up to 1.0% used
07/01/12	2.7%	2.7%	3.0%	-0.3%	Up to 0.3% used

Social Security – ssa.gov



If you receive a Social Security retirement benefit, the Federal government may reduce it because of your LACERS Retirement Allowance that may trigger one of the following:

- **Windfall Elimination Provision**

Impacts you, the Member

www.ssa.gov/benefits/retirement/planner/wep.html

- **Government Pension Offset**

Impacts your Surviving Spouse

www.ssa.gov/policy/docs/program-explainers/government-pension-offset.html

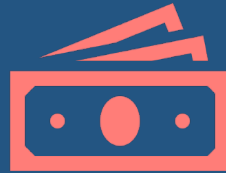


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RETIREMENT SYSTEM**

Supplementing Your LACERS Benefit

Supplementing Your Income



Your LACERS Retirement Allowance:

- ✓ Should be considered the foundation of your retirement financial planning **but**,
- ✓ It **may** or **may not** cover all your expected retirement expenses

Supplementing Your Income

Consider that if you retire with:

Service Credit Years	Percentage of Final Compensation
15	32.4%
20	43.2%
25	54.0%
30	64.8%
35	75.6%
46.3	100%

82% while working

Vs.

65% while retired

Supplementing Your Income

Larger Annuity Program

What is it?	An optional retirement or investment account that allows you to invest more money toward your retirement.
How does it work?	<ul style="list-style-type: none">▪ Contribute post-tax monies:<ul style="list-style-type: none">▪ Lump-sum contribution; or▪ Biweekly contribution; or▪ Rollover from other qualified retirement fund (Roth IRA rollovers are not permitted).▪ Invest based on:<ul style="list-style-type: none">▪ The average five-year Treasury Note; or▪ The LACERS rate of return for publicly traded portion of the LACERS investment portfolio.▪ At time of retirement:<ul style="list-style-type: none">▪ Convert funds into a lifetime monthly annuity that would be in addition to your retirement allowance.
How to participate?	Complete the Larger Annuity Initiation or Change of Contribution Amount. 53

Deferred Compensation



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN

Voluntary tax-advantaged governmental 457(b) plan that allows you to save pre-tax and/or post-tax portions of your salary now so you can enjoy it later in retirement.

You decide how much to save, how to invest, and how to manage your taxes in retirement.

Visit: la457.com for more information



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**When You're Ready
to Retire**

Background & Mental Preparation

Retirement: Meaning & Perception

Definition of Retirement:

- Withdrawal from one's occupation, business or office

Perceptions of Retirement:

- The reward for a lifetime of hard work
- The end of regular employment or salary
- Isolation, loss, or loneliness

Background & Mental Preparation

Retirement: Yesterday vs. Today

Retirement in the past was seen as a negative:

- You worked until infirmity and became dependent on your family

Retirement today is seen as a positive:

- Freedom – do what you want to do instead of what you have to do

People Are Living Longer

You could spend 10, 20, 30 or more years in retirement

- Prepare for the long haul
- Successful retirement is a personal responsibility – plan mentally, physically and financially

The Three Phases of Retirement



The Go-Go Years

The Settling In Years



The Caregiving Years

Background & Mental Preparation

What's Your Retirement Plan?

- ✓ Retire “to” something instead of “away” from something
- ✓ Have plans, goals, hobbies
 - Travel
 - Volunteer
 - Mentor or Teach
 - Stay Fit
- ✓ Plan for the changes of retirement
 - New routines
 - New responsibilities

Background & Mental Preparation Lifestyle Changes

What Work Provides:

- Structures our time
- Stimulates intellect
- Provides social contacts
- Builds self-esteem
- Gives an Identity

Retirement Substitutes:

- Plan how you'll spend your days
- Join a club
- Participate in LACERS *Well*
- Set a goal and complete it
- Maintain and cultivate friendships



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**LA CITY EMPLOYEES'
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The Retirement Process

Step-by-Step Process

Step 1.

Choose your retirement effective date

Step 2.

Submit your Retirement Application

Step 3.

Gather your Required Documents

Step 4.

Complete the forms that are mailed to you

Step 5.

Make a list of questions

Step 6.

Your assigned Retirement Counselor will assist you with any questions you may have and will finalize your retirement.



Selecting a Retirement Date

- ✓ Your **application** must be submitted within the appropriated filing period of **30 - 60 days prior to your selected retirement date**
- ✓ Your last day on payroll will be the day before your retirement effective date
- ✓ If you want your last active check to be a full check, retire at the end of the pay period
- ✓ To shorten the time between your last active check and your first retirement check, retire in the last pay period of the month



Required Documents

- Marriage License or State Registered Domestic Partnership
- **Birth Certificate or Passport***
- Dissolution documents *for any and all* prior marriages or domestic partnerships
- **Medicare card, if applicable***
- **State or Federal issued photo identification***

*Spouse/domestic partner must also provide these documents

Additional Information Required Documents

- If you or your spouse/domestic partner have birth date or **name discrepancies** on documents, you may be required to provide additional documentation.
- **If your divorce is not finalized**, you will retire married unless the divorce is finalized prior to your retirement date.
- **Documents in a foreign language must be translated** or transcribed by a certified translator. Notarized copies are not acceptable.

Specialized Counseling





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**LA CITY EMPLOYEES'
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**Leaving City Service
Prior to Retirement
Eligibility**

Transferring or Promoting to DWP

If you are planning to transfer or promote to DWP, explore how your retirement benefits may be impacted

Contact WPERP to determine what your benefits with them will be:

Phone: (213) 367-1712

E-mail: Retire@ladwp.com



Leaving City Service Less Than 5 Years of Continuous Service

Options:

- Leave your contributions on deposit with the Plan. Funds can remain on deposit until you reach age 72

- or -

- Take a refund of your contributions and/or roll funds over into another qualified retirement plan

Leaving City Service

5 or More Years of Continuous Service

Options:

- Leave your contributions on deposit with the Plan until you are eligible for a Deferred Service Retirement

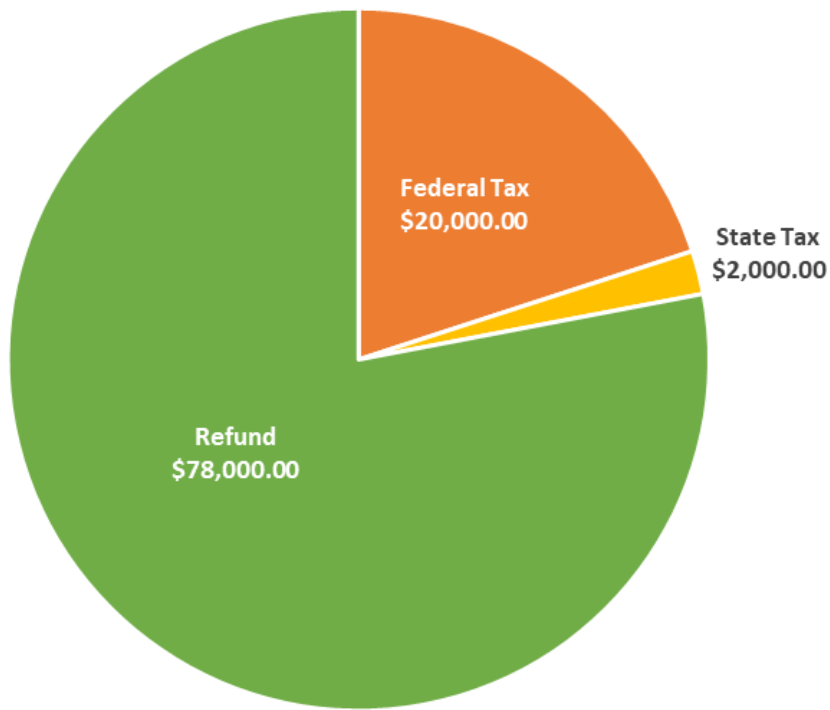
- or -

- Take a refund of your contributions and/or roll funds over into another qualified retirement plan
 - ✓ If you take a refund of your contributions, you will be **required** to complete a Waiver of Benefits.

Refund of Contributions

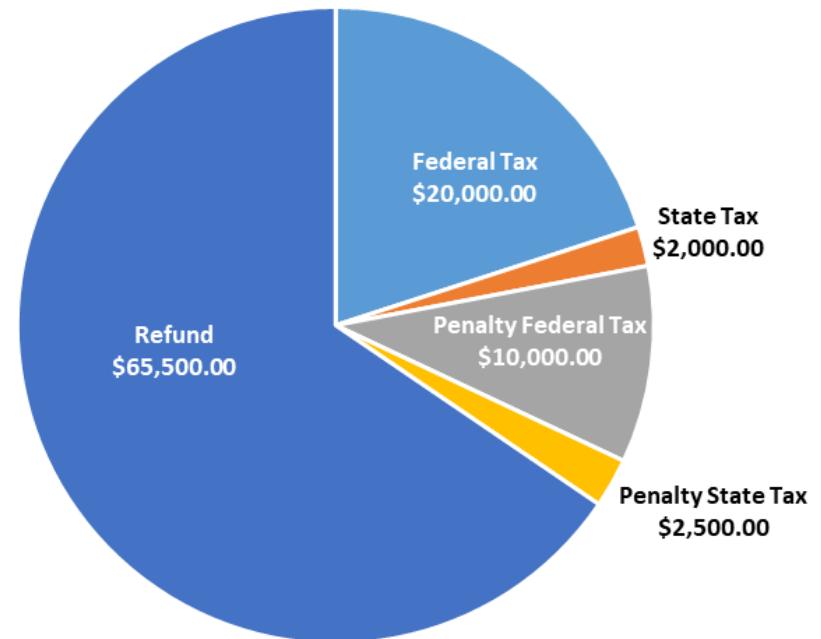
Member Contributions \$100,000

Distribution



Federal Tax 20% State Tax 2%

Early Withdrawal Penalties
Separation from City Service under age 55



Federal Tax 20% State Tax 2% Penalty Federal 10% Penalty State 2.5%

Deferred Normal Retirement

Eligibility Requirements for **Full** Allowance:

- ✓ Age 55 or older and you have 30 or more years of Service
- ✓ Age 60 or older, your first date of membership was at least 10 years prior to your effective retirement date and you have at least five years of Continuous Service*
- ✓ Age 70 or older and have five or more years of Continuous Service*

*At least five years of Continuous Service must come from City employment and/or service recognized under full reciprocity

Deferred Early Retirement

Eligibility Requirements for **Reduced** Allowance

- ✓ Age 55 or older and your first date of membership was at least 10 years prior to your effective retirement date *and* you have at least five years of Continuous Service*

*At least five years of Continuous Service must come from City employment and/or service recognized under full reciprocity

Survivor Benefits (Retired)

Upon your death **after retirement**, your designated beneficiary may be entitled to:

- A Continuance Benefit (if applicable)
- Health benefits for an eligible Survivor
- Any Unused Contributions (if applicable)
- \$2,500 Burial Allowance
- The accrued amount of your Retirement Allowance for the month of your death



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Survivor Benefits

Active & Retiree Benefits

Survivor Benefits (Active) If You Die Before Retiring

If you die **while working** for the City, there may be benefit options available to your survivors, depending on your:

- Years of Service & Service Credit
- Age
- Survivor's relationship to you and/or
- Your designation of beneficiary(ies), if any

Survivor Benefits (Active)

Survivor Options

Refund of Contributions

- A refund of contributions and interest only.

Limited Pension

- A monthly benefit equal to one-half of the deceased member's average monthly salary in the year before death. Payments are based on the number of whole years worked. For each year the Survivor may receive 2 payments. Maximum number of 12 payments.

Survivorship

- *Spouse/DP must be eligible to receive all contributions to be eligible for this benefit.*
- A lifetime monthly allowance calculated as if the Member retired the day before death and selected a 100% Continuance benefit

Survivor Benefits (Active)

Types of Survivorships

- **Service Retirement Survivorship** – Eligible to retire prior to death, Survivor receives benefit based on retirement eligibility
- **Deferred Service Retirement Survivorship** – Not eligible to retire, Survivor waits to receive benefit when Member would have become eligible
- **Disability Retirement Survivorship** – Survivor receives benefit as if Member took a Disability Retirement (generally 1/3 of Final Compensation)

Survivor Benefits (Active)

Survivor Options Eligibility

Years of Service/Service Credit

Survivor Benefit Options

Less than one year of Service Credit
(non-duty-related death)

- Refund of Contributions

At least 1 year of Service Credit, **but less than 5 years** of Continuous Service (non-duty-related death)

- Refund of Contributions and possible Limited Pension

Less than 5 years of Continuous Service (duty-related death)

- Disability Retirement Survivorship, or
- Refund of Contributions and possible Limited Pension

5 Years or more of Continuous Service

- Deferred or Service Retirement Survivorship, or
- Disability Retirement Survivorship, or
- Refund of Contributions and possible Limited Pension

Survivor Benefits (Active) Domestic Partners

For your Domestic Partner to be eligible for survivor benefits, your Domestic Partnership must be:

- ✓ Filed with LACERS by submitting a Declaration of Domestic Partnership - form available on [LACERS.org](https://www.lacERS.org);
- or
- ✓ Registered with the State of California

Survivor Benefits Beneficiary Assignment

IMPORTANT



- ✓ Keep your beneficiary information up to date so that, in the event of your death, benefits will be paid as you intended
- ✓ Designated beneficiaries remain in effect until you change them
- ✓ If you do not choose a beneficiary or they predecease you or waive benefits, benefits will be paid in order of Succession:
 1. Spouse or State-registered Domestic Partner
 2. Children
 3. Parents
 4. Estate

Family Death Benefit Plan (FDBP)

What is it?	A voluntary program designed to provide increased financial protection for the families of LACERS members who die prior to retirement.
Who should consider FDBP?	Employees who are not nearing retirement and have young families or dependent parents.
Who's eligible?	All LACERS members with 18 months of City service may enroll.
How does it work?	Benefits are payable if a member passes away while still an active City employee and is a participating contributor to FDBP.
What does it cost?	Each participating member pays a monthly premium of \$2.40 (\$1.20 per pay period)
How to participate.	Complete the Election to Participate in Family Death Benefit Plan Form.

** FDBP cannot be paid in conjunction with a Service Retirement Survivorship or Deferred Service Retirement Survivorship*

How to Sign Up/Cancel FDBP

☐ Fill out form located at [LACERS.org](https://www.lacERS.org)



PENSION CHECK MAILED **MAY 29** | DIRECT DEPOSIT **MAY 31**

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Members

- Understanding Your Retirement
- Eligibility
- Health Benefits
- Summary Plan Description
- Separating from City Service
- Family Death Benefit Plan**
- Designating Beneficiaries
- Domestic Partnerships & Divorce
- Durable Power of Attorney

Family Death Benefit Plan

[Form Library](#)

The Family Death Benefit Plan (FDBP) is a voluntary program that provides a monthly financial benefit that may give your family increased financial protection should you die before retiring. An employee becomes eligible for membership for the FDBP after 18 months of City Service. The cost is only \$1.50 per pay period.

- [FDBP Information Sheet](#)
- [Election to Participate in FDBP Form](#) ←
- [Cancellation of Election to Participate in FDBP Form](#) ←



LACERS

**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

Medical and Dental Benefits

LACERS Health Benefits Guide

The cover of the 2021 Health Benefits Guide features a photograph of a man and a woman sitting on the grass under a tree, looking at a laptop. The man is wearing a straw hat and a white scarf, and the woman is wearing glasses and a light blue shirt. There are two white mugs on the grass in front of them. A green rectangular box with white text is overlaid on the right side of the image.

2021 HEALTH BENEFITS GUIDE

- ✓ Your user's manual for your LACERS Health Benefits
- ✓ Mailed to Retired Members annually during Open Enrollment period
- ✓ Soft copy posted on Retired Members page of LACERS website:
[LACERS.org/retired](https://www.lacERS.org/retired)

Medical & Dental Plan Enrollment Eligibility

Who is eligible to enroll in LACERS Medical and Dental plans?

- ✓ You, as a Retired LACERS Member
- ✓ Your eligible dependent(s)
- ✓ An eligible survivor who receives a Continuance or Survivorship Allowance (e.g., qualified surviving spouse/domestic partner) and their dependent.

Eligible Dependents

- ✓ **Legal Spouse/Domestic Partner (Plan or state-registered)**
- ✓ **Dependent Child under age 26**
Unless eligible for medical coverage by their employer
- ✓ **Disabled child with a disability that occurred prior to age 26 and is unable to engage in gainful employment**
- ✓ **Grandchild under age 26 if Member is the legal guardian, has legal custody, or is the child of a dependent child**

Health Plan Subsidies

A **subsidy** is a monthly dollar credit applied to the cost of your medical or dental plan premium.

To be eligible for a subsidy, **you must:**

1. Be at least age 55
2. Be receiving a service or disability retirement benefit from LACERS
3. Have a minimum of 10 whole years of Service
4. Be enrolled in a LACERS-sponsored medical plan or be a participant in the Medical Premium Reimbursement Program (MPRP)

Medical Subsidy

- ✓ Retired Members are eligible to receive 40% of the maximum subsidy with 10 years of Service
- ✓ For each additional whole year of Service Credit, members receive an additional 4%
- ✓ With 25 years of Service Credit, you are eligible to receive 100% of the maximum subsidy

Service Credit	% of Maximum Subsidy	Subsidy Amount
1-10	40%	\$716.32
11	44%	\$787.95
12	48%	\$859.58
13	52%	\$931.22
14	56%	\$1,002.85
15	60%	\$1,074.48
16	64%	\$1,146.11
17	68%	\$1,217.74
18	72%	\$1,289.38
19	76%	\$1,361.01
20	80%	\$1,432.64
21	84%	\$1,504.27
22	88%	\$1,575.90
23	92%	\$1,647.54
24	96%	\$1,719.17
25+	100%	\$1,790.80

Dental Subsidy

To be eligible for a Dental subsidy, you must:

- ✓ Be at least age 55
- ✓ Have a minimum of 10 whole years of Service

Note: LACERS does not provide dental subsidies to dependents or eligible Survivors. But they may be enrolled and have their premiums deducted from your retirement allowance or their Continuance/Survivorship allowance, if an eligible survivor.

Service Credit	% of Maximum	Delta Dental PPO Subsidy Amount	DeltaCare USA DHMO Subsidy Amount
1-10	40%	\$17.84	\$5.75
11	44%	\$19.62	\$6.33
12	48%	\$21.41	\$6.90
13	52%	\$23.19	\$7.48
14	56%	\$24.98	\$8.05
15	60%	\$26.76	\$8.63
16	64%	\$28.54	\$9.20
17	68%	\$30.33	\$9.78
18	72%	\$32.11	\$10.35
19	76%	\$33.90	\$10.93
20	80%	\$35.68	\$11.50
21	84%	\$37.46	\$12.08
22	88%	\$39.25	\$12.65
23	92%	\$41.03	\$13.23
24	96%	\$42.82	\$13.80
25+	100%	\$44.60	\$14.38

Understanding Your Deductions

Your monthly LACERS health plan deductions (out-of-pocket costs) depend on:

- The monthly premium(s) of the plan(s) you choose
- The number of dependents you enroll in your health plan(s)
- Your and your dependent's Medicare status*
- Your LACERS subsidies

*Medicare will be discussed later



Medical Plan Options

Health Maintenance Organizations (HMO)

- Kaiser Permanente
- Anthem Blue Cross

Preferred Provider Organization (PPO)

- Anthem Blue Cross

Medicare Advantage HMO Plans

- Kaiser Senior Advantage
- UnitedHealthcare Medicare Advantage
- Senior Care Action Network (SCAN Health Plan)

Medicare Supplemental Plan

- Anthem Blue Cross Life & Health Medicare Plan

Medical Plans: Where you Live



California*

- ✓ Anthem Blue Cross HMO & PPO
- ✓ Kaiser Permanente HMO & Kaiser Senior Advantage HMO
- ✓ *United Healthcare Medicare Advantage HMO*
- ✓ *SCAN Health Plan (Medicare Advantage HMO)*

Nevada and Arizona*

- ✓ *United Healthcare Medicare Advantage HMO*
- ✓ Anthem Blue Cross PPO

United States and Its Territories

- ✓ Anthem Blue Cross PPO
- ✓ *Anthem Blue Cross Life & Health Medicare Plan (Medicare Supplemental)*

Worldwide

- ✓ Anthem Blue Cross PPO Out-of-Country Plan

*Not all areas of the state. Plans in *italics* are senior plans for Medicare-eligible retirees.

Dental and Vision Plans



Dental

DeltaCare® USA (HMO)

Available in California and select areas of Nevada

Delta Dental (PPO)

Available Nationwide; Includes California and Out of Country



Vision

Anthem Blue View Vision

- For Anthem Blue Cross members
- For UnitedHealthcare members
- For SCAN Health Plan members

Kaiser Permanente

- For Kaiser members

Health Enrollment at Retirement

- Enrollment in a LACERS retiree health plan is not automatic
- You may enroll in a LACERS health plan within **60 days** of your retirement effective date and coverage will begin on the first of the month following your retirement effective date
- If you do not enroll in a LACERS health plan at the time of retirement, you may enroll during Open Enrollment or if you experience a Qualifying Event



LACERS

**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

**Medical Premium
Reimbursement Program
(MPRP)**

Medical Premium Reimbursement Program (MPRP)

What is it?

Helps you pay the premium of your chosen plan with your LACERS medical subsidy

Who's eligible?

Retirees and Eligible Survivors who:

- Reside more than three months of the year outside a LACERS California HMO service area or outside the state of California, but within the United States and its territories
- Are eligible for a medical subsidy
- Are not enrolled in a LACERS medical plan

How it works?

- **Enroll** in a federally-qualified or state regulated insurance plan
- **Pay** your premiums directly to the provider
- **Submit proof** of enrollment and payment to LACERS
- **LACERS will reimburse** you quarterly up to the amount of your medical subsidy
- You may also be reimbursed for vision insurance and Medicare Part D premiums if they are not part of the non-LACERS medical plan

MPRP Example



You plan to reside in Washington State in retirement and want to enroll in Kaiser Permanente Washington which is not part of the LACERS Kaiser Permanente Group Plan.



You contact LACERS Health staff to verify that your new zip code is outside of LACERS coverage area.



Contact Kaiser Permanente in Washington state to enroll in plan.



Fill out required MPRP enrollment paperwork provided by LACERS.



Send proof of premium payments to LACERS quarterly to receive reimbursement up to your maximum health subsidy amount.

How to Enroll in MPRP

Enrolling At Retirement

- ✓ Inform the LACERS Health staff that you will be residing outside of the covered zip codes for the LACERS Medical plans
- ✓ Provide your zip code to LACERS staff to determine if eligible to participate in MPRP
- ✓ LACERS Health staff will provide you a packet with the necessary forms to enroll, including a reimbursement schedule

Enrolling After Retirement

- ✓ Contact LACERS Health staff within **30 days** of your move outside of a service area zip code
- ✓ Provide your zip code to LACERS staff to determine if eligible to participate in MPRP
- ✓ Submit a signed Change of Address form to update your address
- ✓ LACERS Health staff will provide you a packet with the necessary forms to enroll, including a reimbursement schedule

Medical and Dental Plan

When to Enroll

- ✓ **Enrollment in a LACERS retiree health plan is not automatic.**
- ✓ **If you choose LACERS Retiree health coverage, you will enroll as part of the retirement process. Coverage begins the first of the month after your retirement date.**
- ✓ **Your Active City employee health benefits continue to the end of the month you retire.**

LACERS Health Plans are available to you if you need them but you are **not required to enroll**. If you do not enroll in a LACERS health plan at the time of retirement, you may enroll during Open Enrollment or if you experience a Qualifying Event.

Medical and Dental Plan Qualifying Events or Changing Plans

- You may enroll or change plans within:
LACERS' Annual Open Enrollment period: **Oct. 15th - Nov. 15th**
 - **60 days** of turning age 55
 - **90 days** of turning age 65 (based on your Medicare eligibility)
 - **30 days** of:
 - Moving (zip code)
 - Family status change (marriage, domestic partnership, birth/adoption of child)
 - Being involuntarily terminated from a non-LACERS medical plan
 - LACERS HMO plan zip code service area becoming available or unavailable



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**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

Medicare Requirements

Aging into Medicare

What is Medicare?

Medicare is the federal insurance program for people who:

- Are age 65 or older; **or**
- Are disabled; **or**
- Have specific medical conditions



What is the LACERS Medicare Requirement?

At age 65 (or sooner if eligible for Medicare insurance), anyone enrolled in a LACERS medical plan **must enroll** in all parts of Medicare in which they are qualified

Aging into Medicare: Your Subsidy Amount

- Your subsidy amount is calculated differently once you age into Medicare
- The maximum monthly subsidy amount will be based on your years of Service Credit and the one-party premium of the LACERS Senior plan in which you are enrolled

Service Credit	% of Maximum Subsidy
1-14	75% of one-party monthly premium
15-19	90% of one-party monthly premium
20+	100% of one-party monthly premium



Required: Medicare Part B

All LACERS Retired Members & dependents, upon turning **age 65**, **must enroll in Medicare Part B**, which covers doctor visits, and provide proof of enrollment to LACERS

- Failure to enroll in Medicare Part B or pay your Part B monthly premiums on time will result in **termination** of your LACERS coverage and subsidy
- The basic Medicare Part B premium in 2021 is \$148.50 per month
- Consider enrolling in the Medicare Easy Pay Program :
<https://www.medicare.gov/your-medicare-costs/ways-to-pay-part-a-part-b-premiums/medicare-easy-pay>

Medicare Part A

If you are eligible for Medicare Part A *premium-free*, retired members and dependents *must* enroll in Medicare Part A

You may receive premium-free Part A:

- ✓ If you have 10 years of earnings history with Social Security outside of City employment, **or**
- ✓ If you started with the City after April 1, 1986 by paying FICA Medicare payroll taxes, **or**
- ✓ Through your spouse when they reach age 62 if they are eligible for Part A premium-free

Not Eligible for Part A Premium-Free

If you do **not** qualify for Medicare Part A premium-free:

- ✓ Your LACERS medical plan will cover your hospitalization costs
- ✗ LACERS will not provide you a Part B premium reimbursement
(will be discussed on an upcoming slide)
- ✓ There is no change in the subsidy formula at age 65

Medicare Part A + B



LACERS will **reimburse** you for the basic Medicare Part B premium if you are:

- Enrolled in Medicare Parts A & B ; and
- Enrolled in a LACERS Senior Plan or MRRP; and
- Receive a medical subsidy.

**LACERS does not reimburse dependents or Survivors for their Medicare Part B premium*

Medicare Part D

Do not enroll in a non-LACERS Medicare Part D plan separate from your LACERS Senior Plan

(Part D covers prescription drugs and LACERS plans include Medicare Part D)



Enrolling in a Medicare plan outside of LACERS will result in the termination of your LACERS medical coverage. You can only assign one medical plan to your Medicare.

When Should You Enroll in Medicare

If you retire before age 65

- LACERS requests that you enroll three months prior to turning age 65
- LACERS will mail you an Age-In packet letting you know what you need to do

If you are retiring after you've turned 65

- LACERS will assist you in enrolling during the retirement process with a Special Enrollment Form to give to Social Security to avoid late-enrollment penalties

IMPORTANT! Enrolling in a Medicare plan outside of LACERS will result in the **termination** of your LACERS medical coverage (You can only assign one medical plan to your Medicare)

Health Benefits

LACERS Well For Retired Members

LACERS Well is a free program that provides resources and activities for retirees that promotes optimal health and wellness to enhance the quality of life and retirement

What's offered:

- Biometric screenings
- Health and Wellness seminars and workshops
- Participation incentives and rewards
- Group activities

Visit our website at LACERS.org/lacerswell to find out more



LACERS WELL
Your Health Matters



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**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

Legal Planning for the Future

Legal Planning for the Future Overview

1. Things to Consider
2. LACERS Special Durable Power of Attorney
3. Keeping your Information Updated
4. Member Communication

Legal Planning for the Future

Things to Consider

During Life

- LACERS Special Durable Power of Attorney
- Living Trust
- California Uniform Statutory Power of Attorney
- Living Will
- Long-term Care Insurance

After Death

- Estate Taxes
- Probate
- Will
- Trust

Durable Power of Attorney



LACERS Special Durable Power of Attorney

- A legal document designating an agent of your choosing to act on your behalf regarding your LACERS benefits
- This form is available at [LACERS.org/forms](https://www.lacERS.org/forms)

California Uniform Statutory Power of Attorney

- A legal document appointing an agent of your choosing to act for you in any lawful way regarding property, financial, retirement plan transactions and other legal decisions

After You Retire

When to Contact LACERS

- If you move or change your contact information*
- If you want to make beneficiary changes
- If you have a change in family status
- If you have issues with your Health Plans

**If your contact information is out of date and we are unable to reach you, LACERS may withhold your retirement allowance until the information is updated*

After you Retire

How LACERS Communicates with You

- LACERS Retiree Newsletters
- LACERS Retiree Paycheck Flyers
- Health Plan Open Enrollment Meetings/Mailings
- www.LACERS.org
- LACERS YouTube Channel
- MyLACERS online account access
- LACERS Well Newsletters



LACERS As Your Contact To Reach LACERS

Call: (800) 779-8328
RTT (888) 349-3996



E-mail: lacers.services@LACERS.org
lacers.health@LACERS.org



Visit : LACERS (LA Times Building)
(Onsite visits temporarily 202 W. First Street, Suite 500
closed due to COVID-19) Los Angeles, CA 90012-4401



Mail: P.O. Box 512218
Los Angeles, CA 90051-0218



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